

Outstanding Issue**15,000 Shares****The Hahn Brass Company, Limited***(Incorporated under the laws of the Province of Ontario)***Participating Preference Stock**

No Par Value — Non-callable — Cumulative

Preferred as to cumulative cash dividends at the rate of \$1.00 per share per annum, accruing from January 1st, 1946, payable as declared half-yearly on January 1st and July 1st, by cheque at par at any branch in Canada of the Company's bankers, far northern branches excepted.

**Participating Feature**

In addition, the Participating Preference Shares participate equally with the Common Shares, share for share, in any dividend paid after the Common Shares have received dividends aggregating 60¢ per share out of the profits of any year.

**TRANSFER AGENT AND REGISTRAR:**

Chartered Trust and Executor Company, Toronto

**Capitalization**

(As at February 2nd, 1946)

	Authorized	Issued
Participating Preference Shares, No Par Value, Cumulative \$1.00 per Share.....	15,000 shares	15,000 shares
Common Shares, No Par Value.....	25,000 shares	25,000 shares

The Company has made application to list the Preference and Common Shares on The Toronto Stock Exchange.

The offering of these shares, which are being purchased from shareholders of the Company, does not represent new financing by the Company.

We offer as principals, these Preference Shares, subject to prior sale and change in price, if, as and when received and accepted by us, and subject to the approval of counsel, Messrs. McMillan, Binch, Wilkinson and Berry, Toronto.

**Price: \$18.50 per share to yield 5.40%**

**with bonus of one common share with each five preference shares.**

It is expected that interim share certificates will be available for delivery on or about February 18th, 1946.

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**BANKERS BOND CORPORATION  
LIMITED**

330 Bay Street, Toronto

Telephone: ADelaide 6267

*The information contained in this circular is based upon statements and statistics which we believe to be reliable.  
We do not guarantee, but believe the statements made herein to be true.*

(LETTERHEAD)

THE HAHN BRASS COMPANY, LIMITED

New Hamburg

Ontario, Canada

February 11th, 1946.

BANKERS BOND CORPORATION LIMITED,  
Toronto, Ontario.

Dear Sirs:

With reference to the Preference and Common shares of The Hahn Brass Company, Limited, I have pleasure in submitting the following information:

**The Company**

The Hahn Brass Company, Limited owns and operates one of the most diversified metal equipment manufacturing plants in Canada. The business was established in 1900 at New Hamburg, Ontario, approximately 75 miles west of Toronto, and was incorporated in 1902 under Ontario Charter. During the forty-five years of development the business has grown to embrace an enterprise with Dominion-wide markets, with sales agencies in Montreal, Toronto and Winnipeg, and exporting connections abroad.

The plant is a complete manufacturing unit of approximately 35,000 square feet of floor space, of brick construction, fireproofed throughout. It is modern, well lighted and fully equipped and designed for economical manufacturing. The Company's record has been one of steady progress and expanding business, requiring increased capacity from time to time. An independent appraisal in 1942, together with subsequent additions at cost, placed the depreciated value of the Company's buildings and equipment at over \$190,000 as at June 30th, 1945. Further capital expenditures on plant and equipment have been made since that time, and a small addition to the plant is now being completed. The buildings and contents are insured for \$300,000.

The Company manufactures a wide variety of furniture and shelf hardware, hinges, trunk and luggage fixtures, kitchen cabinet, refrigerator and vestibule hardware, memorial tablets, brass and steel stampings, book-ends, tray handles, brass and iron castings and many other similar brass, copper and steel products. The wide range of products is designed for the requirements of many diversified industries and trades.

**Markets**

The Company's products are sold directly by the Company or through the Company's sales agencies or through jobbers to manufacturers of furniture, trunks and luggage, electrical equipment, plumbing supplies and to the hardware and metal equipment trades throughout Canada. Sales promotion includes catalogues and advertising in trade papers and journals. While the Company's business has in recent years been confined largely to the Canadian trade, it has exporting connections in thirty-six foreign countries.

During the war years the Company's volume of direct war business averaged only 10% of the total and was of a character previously produced.

**Outlook**

Orders on hand are keeping the plant currently operating at full capacity. Business in sight and the substantial back-log of demand in the building, furniture and hardware industries and the metal equipment trades would indicate that the Company should continue to hold and strengthen its position as a manufacturer of brass, copper and steel products.

The Company has shown a profit every year since incorporation in 1902.

**Assets**

According to the sub-joined Pro Forma Balance Sheet of the Company as of June 30th, 1945, as reported by Messrs. Thorne, Mulholland, Howson and McPherson, Chartered Accountants, the Assets were as follows:

Land, buildings and equipment at Depreciated Appraised values at January 15th, 1942, with subsequent additions at cost.....	\$205,609.80
Less: Reserve for Depreciation set up since January 15th, 1942 .....	14,845.62
	\$190,764.18
Net Current Assets after deducting all Current Liabilities .....	181,161.08
Investments.....	64,660.53
Refundable Portion of Excess Profits Tax.....	30,275.17
Total Net Fixed and Net Current Assets.....	\$466,860.96

## Statement of Earnings

For the fiscal years ended June 30, 1936 to 1945 inclusive:

Year ended June 30	Profits before providing for Taxes on Income	Provision for Taxes on Income at Rates Applicable in Respective Years	Refundable Portion of Excess Profits Tax included in Provision for Taxes on Income	Net Profits including Refundable Portion of Excess Profits Tax
1936.....	\$30,114.90	\$ 4,727.04		\$25,387.86
1937.....	35,173.48	5,239.84		29,933.64
1938.....	27,279.49	4,734.77		22,544.72
1939.....	22,137.55	3,989.34		18,148.21
1940.....	34,018.67	9,972.36		24,046.31
1941.....	71,937.64	43,839.64		28,098.00
1942.....	108,269.78	72,619.07		35,650.71
1943.....	147,189.46	127,495.81	\$22,696.93	42,390.58
1944.....	61,281.88	41,075.60	4,967.68	25,173.96
1945.....	50,504.42	29,091.35	2,610.56	24,023.63

**TO THE DIRECTORS, THE HAHN BRASS COMPANY, LIMITED.**

We have examined the above statement of earnings of The Hahn Brass Company, Limited for the fiscal years ended June 30, 1936 to 1945 inclusive and report that, in our opinion, the earnings of the Company for the periods indicated were not less than the amounts shown therein.

THORNE, MULHOLLAND, HOWSON & MCPHERSON,

Toronto, Canada, February 8, 1946.

Chartered Accountants.

The Cumulative Dividend requirement on the outstanding preference shares will amount to \$15,000 per annum.

Earnings during the six months ended December 31, 1945, indicate earnings for the current fiscal year will be equal to, or in excess of, the earnings for the year ended June 30, 1945.

### Management

Mr. Alex. F. Hahn, President of the Company, has been associated with the business for 44 years, and will continue in that capacity. Mr. Lewis W. Hahn, Vice-President, who has been associated with the Company for 23 years, will continue in that capacity, and in addition, recently has been appointed General Manager.

### Summary of the Participating Preference and Common Share Provisions

1. The holders of the Participating Preference shares are entitled to receive, when and as declared by the Board of Directors, fixed cumulative preferential dividends of \$1.00 per share per annum payable half-yearly on the first of January and July. Such dividends on the Participating Preference shares accrue from January 1st, 1946.
2. After payment of the said dividend of \$1.00 per share upon the Participating Preference shares, the Board of Directors may in any year, or within three months after the end of the year, declare a dividend not exceeding 60¢ on each Common share outstanding out of the net profits earned in such year.
3. Thereafter, the holders of the Participating Preference shares and the holders of the Common shares participate equally share for share in all dividends paid.
4. The Company, however, is not permitted to declare or pay any dividend or bonus other than the dividend on the Participating Preference shares at any time when the net current assets of the Company; as defined in the Supplementary Letters Patent, are less than \$200,000.00 or the payment of which dividend or bonus would have the effect of reducing such net current assets below that amount.
5. On any distribution of capital, the holders of Participating Preference shares and the holders of Common shares are entitled to participate equally share for share except that the holders of Participating Preference shares are entitled to receive, in priority, all preferential dividends then accrued or accruing due and unpaid, whether declared or not.
6. Except as mentioned below, the holders of Participating Preference shares are only entitled to vote when the dividends on their shares are in arrears for eighteen months, when they shall have one vote in respect of each share, this right to continue as long as such dividends remain in arrears.
7. The holders of Participating Preference shares are entitled to vote at any meeting of the Company convened and held for the purpose of passing, approving or authorizing any by-law or resolution to wind up the Company or to make an assignment in bankruptcy or to authorize an application for Supplementary Letters Patent to alter, amend or repeal any provisions of the Supplementary Letters Patent of the Company or to create bonds, debentures or other securities or to create, sub-divide or consolidate any shares of the Company—provided that the Company may, without the shareholder's consent, give security to its bankers to secure indebtedness incurred in the ordinary course of business where such consent is not otherwise required at law. Any by-law or resolution to create bonds, debentures or other securities or to create, sub-divide or consolidate shares must be approved or confirmed by a vote of the holders of at least two-thirds of the issued Participating Preference shares present or represented at a meeting duly called for that purpose, and any application for Supplementary Letters Patent to change the conditions attached to the Participating Preference shares or to create other Preference shares or Common shares must be confirmed, in addition to any confirmation required as above or by The Companies Act, by vote of two-thirds in number of all the outstanding Participating Preference shares.

The foregoing statement is not complete and is qualified in its entirety by reference which is hereby made to the full provisions contained in the Supplementary Letters Patent creating such shares.

**A full statement of the Participating Preference and Common share provisions will be available upon request.**

Yours very truly,

ALEX. F. HAHN

President.

**THE HAHN BRASS COMPANY, LIMITED  
PRO FORMA BALANCE SHEET  
as of June 30, 1945**

After giving effect to the granting of supplementary letters patent dated February 2, 1946 cancelling 250 common shares previously authorized but not issued, and converting 150 common shares previously outstanding into 15,000 participating preference shares and 25,000 common shares, all without nominal or par value.

ASSETS			
<b>CURRENT ASSETS:</b>			
Cash on hand and in banks .....		\$ 9,368.42	
Dominion of Canada 3% Bonds (Market value \$111,343.50) .....		111,298.75	
Accounts Receivable.....	\$18,295.83		
<i>Less: Reserve for Bad Debts.....</i>	<u>3,000.00</u>	15,295.83	
Inventory of Merchandise and Supplies, as determined and valued by the Management .....		60,702.53	
Prepaid Expenses and Accrued Revenue.....		2,846.78	
Employees' Balances re Victory Loan Subscriptions (secured).....		<u>1,962.00</u>	\$201,474.31
<b>INVESTMENTS:</b>			
Bonds and Shares of other companies (Market value \$57,179.50) .....		54,027.50	
Mortgages Receivable.....		7,000.00	
Residential Property—at cost less depreciation.....		<u>3,633.03</u>	64,660.53
REFUNDABLE PORTION OF EXCESS PROFITS TAX.....			30,275.17
<b>FIXED ASSETS, at Depreciated Appraised Values at January 15, 1942, as certified by Dominion Appraisal Co. Ltd., with subsequent additions at cost:</b>			
Land.....		1,500.00	
Buildings.....		74,568.50	
Equipment.....		126,010.30	
Automobiles and Trucks.....		<u>3,531.00</u>	
		205,609.80	
<i>Less: Reserve for Depreciation set up since January 15, 1942.....</i>		<u>14,845.62</u>	190,764.18
			<u>\$487,174.19</u>
LIABILITIES			
<b>CURRENT LIABILITIES:</b>			
Accounts and Bills Payable.....		\$ 1,048.89	
Accrued Wages and Expenses.....		5,371.65	
Provision for Income and Excess Profits Taxes after deduction of amounts paid thereon.....		<u>13,892.69</u>	\$ 20,313.23
<b>CAPITAL STOCK AND SURPLUS:</b>			
Capital Stock, Authorized and Issued:			
Participating Preference Shares of no par value—Cumulative \$1.00 per Share—15,000 shares } .....			15,000.00
Common Shares of no par value—25,000 shares .....			
Earned Surplus.....		306,943.93	
Surplus arising from appraisal of Fixed Assets in 1942.....		<u>144,917.03</u>	466,860.96
			<u>\$487,174.19</u>

**TO THE DIRECTORS, THE HAHN BRASS COMPANY, LIMITED**

We have examined the books and records of The Hahn Brass Company, Limited as of June 30, 1945 and report that in our opinion, the above Pro Forma Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at that date, after giving effect to the capital changes set forth above, according to the best of our information and the explanations given us.

THORNE, MULHOLLAND, HOWSON & MCPHERSON,  
Chartered Accountants.

Toronto, Canada, February 8, 1946.

**Chief Executive Officers**

ALEX. F. HAHN.....	President.....	The Hahn Brass Company, Limited, New Hamburg, Ontario.
LEWIS W. HAHN.....	Vice-President and General Manager.....	The Hahn Brass Company, Limited, New Hamburg, Ontario.
ROBERT L. HAHN.....	Secretary-Treasurer.....	The Hahn Brass Company, Limited, New Hamburg, Ontario.
ALEX. F. HAHN.....	President.....	The Hahn Brass Company, Limited, New Hamburg, Ontario.
LEWIS W. HAHN.....	Vice-President and General Manager.....	The Hahn Brass Company, Limited, New Hamburg, Ontario.
ROBERT L. HAHN.....	Secretary-Treasurer.....	The Hahn Brass Company, Limited, New Hamburg, Ontario.
P. R. HILBORN.....	Manufacturer.....	President: Canada Office & School Furniture Limited; Preston, Ontario.
E. J. SHOEMAKER.....	Manufacturer.....	President: The L. McBride Company Limited; Kitchener, Ontario.
M. C. DEANS.....	Investment Dealer.....	President: Bankers Bond Corporation Limited; Toronto, Ontario.
C. T. GRAHAM.....	Investment Officer.....	The Waterloo Trust & Savings Company, Kitchener, Ontario.

**Auditors**

MESSRS. THORNE, MULHOLLAND, HOWSON & MCPHERSON, Toronto, Ontario.

**Underwriters**  
BANKERS BOND CORPORATION LIMITED

The following are the names of every person having an interest either directly or indirectly, to the extent of not less than 10%, in the capital of Bankers Bond Corporation Limited:

M. C. Deans                    C. L. McCutcheon                    R. M. Sheppard

Dated February 15th, 1946